Unknown

From: Sarah Palin [gov.sarah@yahoo.com]

Sent: Saturday, April 07, 2007 5:06 PM

To: Balash; Joseph R (GOV); Governor Sarah Palin

Cc: Tibbles; Michael A (GOV); Meghan N Stapleton; Tom E Irwin

Subject: Re: Two Items Today

Big issues with MatMaid and Ag. I'm anxious to start tackling them. Change in persons calling some shots at Ag is in order. We certainly can't ignore the growing problems in that arena.

Upon my return from the Educ. Symposium let's get together to talk Ag.

I am thankful you all settled the Alaska Grown suit. Thank you!

Thanks for update on Alyeska. Rumor within pipeline worker-bee ranks is the automated system will be Alyeska's biggest nightmare - but that's just rumor. Anxious to chat more about that too.

Happy Easter, all!

Joseph R Balash <joe_balash@gov.state.ak.us> wrote:

Governor:

I received two telephone calls today that I need to bring to your attention.

First, Alyeska Pipeline Service Company's representative called me this afternoon to inform us that on March 22, a series of events led to some concerns with the effectiveness of the reconfiguration at Pump Station 9.

Some part of the system at Pump 9 wasn't working correctly, so they shut the pipeline down according to procedure. When they shut the system down, oil is off-loaded into tanks at the pump stations to releive pressure in the line and allow everything to be turned off. The automated system control in Valdez was not able to control a particular valve on one of the pipes going into the releif tank. They were able to send a crew to turn it manually, but since this is one of the new automated pump stations, questions are now being raised. Alyeska is performing an internal review of the system to determine what happened, why, and what needs to be done about it. The Joint Pipeline Office apparently is sending a letter to Alyeska to inquire about the incident, too.

The second item is one I raised on Thursday. MatMaid is hemoraging cash at an alarming level. The Board of Agriculture and Conservation met yesterday afternoon and this morning--things are not good. The chair of the BAC, Rhonda Boyles, is going to email some documents to me. The leadership of DNR has been made aware of some of the details, but it is likely we will all have to get more informed and involved.

Rhonda thinks we have 30-60 days before something drastic has to be done. She estimated that an infusion of \$1.5 million would keep the dairy running until the end of the year, but that would only be a stopgap. The end is near. The consequences need to be managed--including 30 some odd Teamsters employed by the dairy.

Again, there is no immediate action required for either of these items. I just wanted to be sure you are aware of them and will continue to keep you informed.

Joe

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